

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W

W-0979A
Silver Well Service Corp.
dba **Watero**
P.O. Box 1270
Show Low, AZ 85902

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT

FOR YEAR ENDING

12	31	2005
----	----	------

entered
4-17-06
RF

FOR COMMISSION USE

ANN04	05
-------	----

COMPANY INFORMATION

Company Name (Business Name) Watco Inc.

Mailing Address PO Box 1270

(Street)

Show Low

(City)

AZ

(State)

85902

(Zip)

(928) 537-8739

Telephone No. (Include Area Code)

(928) 537-8739

Fax No. (Include Area Code)

(928) 532-6941

Pager/Cell No. (Include Area Code)

Email Address wtrcas@frontiernet.net

Local Office Mailing Address Same

(Street)

(City)

(State)

(Zip)

Local Office Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

MANAGEMENT INFORMATION

Management Contact: Mark Grapp

(Name)

President / General Mgr

(Title)

PO Box 1270

(Street)

Show Low

(City)

AZ

(State)

85902

(Zip)

(928) 537-8739

Telephone No. (Include Area Code)

(928) 537-8739

Fax No. (Include Area Code)

NA

Pager/Cell No. (Include Area Code)

Email Address wtrcas@frontiernet.net

On Site Manager: Same

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Email Address _____

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Mark Grapp

(Name)

Po Box 1270
(Street)

Shaw Low
(City)

Az
(State)

85902
(Zip)

(928) 537-8739
Telephone No. (Include Area Code)

(928) 537-8739
Fax No. (Include Area Code)

NA
Pager/Cell No. (Include Area Code)

Attorney: NA

(Name)

(Street)

(City)

(State)

(Zip)

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☐ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☒ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certificated to provide service:

☐ APACHE

☐ COCHISE

☐ COCONINO

☐ GILA

☐ GRAHAM

☐ GREENLEE

☐ LA PAZ

☐ MARICOPA

☐ MOHAVE

☒ NAVAJO

☐ PIMA

☐ PINAL

☐ SANTA CRUZ

☐ YAVAPAI

☐ YUMA

☐ STATEWIDE

COMPANY NAME

Waters Inc.

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization	1542	0	1542
302	Franchises	7	0	7
303	Land and Land Rights	27094	0	27094
304	Structures and Improvements	9135	6555	2580
307	Wells and Springs	19361	19285	76
311	Pumping Equipment	13023	9887	3136
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	39316	30937	28379
331	Transmission and Distribution Mains	371788	304359	67429
333	Services	66048	45705	20323
334	Meters and Meter Installations	24144	16281	7863
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	591158	433029	158129

This amount goes on the Balance Sheet Acct. No. 108

COMPANY NAME

Waters Inc.

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)	Depreciation Expense (1x2)
301	Organization	1542	0	0
302	Franchises	7	0	0
303	Land and Land Rights	27094	0	0
304	Structures and Improvements	9135	3.33	304
307	Wells and Springs	19361	3.33	645
311	Pumping Equipment	13023	12.5	1628
320	Water Treatment Equipment			
330	Distribution Reservoirs and Standpipes	59016	5.0	2951
331	Transmission and Distribution Mains	371788	2.0	7436
333	Services	66048	3.33	2199
334	Meters and Meter Installations	24144	8.33	2011
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
341	Transportation Equipment			
343	Tools, Shop and Garage Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communication Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant			
	TOTALS	591152		17174

This amount goes on the Comparative Statement of Income and Expense
Acct. No. 403.

COMPANY NAME

Watco Inc.

BALANCE SHEET

Acct No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
		\$	\$
131	Cash		1933
134	Working Funds	7332	
135	Temporary Cash Investments		
141	Customer Accounts Receivable	6439	7921
146	Notes/Receivables from Associated Companies		
151	Plant Material and Supplies		
162	Prepayments		
174	Miscellaneous Current and Accrued Assets		
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 13771	\$ 9854
	FIXED ASSETS		
		\$	\$
101	Utility Plant in Service	586279	591158
103	Property Held for Future Use		
105	Construction Work in Progress		
108	Accumulated Depreciation – Utility Plant	415855	433629
121	Non-Utility Property		
122	Accumulated Depreciation – Non Utility		
	TOTAL FIXED ASSETS	\$ 170424	\$ 158129
	TOTAL ASSETS	\$ 184195	\$ 167983

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

COMPANY NAME Water Trc.**BALANCE SHEET (CONTINUED)**

Acct. No.		BALANCE AT BEGINNING OF YEAR	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$	\$
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Customer Deposits	20458	20775
236	Accrued Taxes		
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities		
	TOTAL CURRENT LIABILITIES	\$ 20458	\$ 20775
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds	\$ 20424	\$
	DEFERRED CREDITS		
251	Unamortized Premium on Debt	\$	\$
252	Advances in Aid of Construction		290
255	Accumulated Deferred Investment Tax Credits		
271	Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Tax		
	TOTAL DEFERRED CREDITS	\$	\$ 290
	TOTAL LIABILITIES	\$ 40882	\$ 21065
	CAPITAL ACCOUNTS		
201	Common Stock Issued	\$	\$
211	Paid in Capital in Excess of Par Value		
215	Retained Earnings	188336	146918
218	Proprietary Capital (Sole Props and Partnerships)	(43023)	
	TOTAL CAPITAL	\$ 143313	\$ 146918
	TOTAL LIABILITIES AND CAPITAL	\$ 184195	\$ 167983

COMPANY NAME Watco, Inc

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Revenue	\$ 94296	\$ 90737
460	Unmetered Water Revenue		
474	Other Water Revenues	840	1100
	TOTAL REVENUES	\$ 95136	\$ 91837
	OPERATING EXPENSES		
601	Salaries and Wages	\$ 48898	\$ 51881
610	Purchased Water		
615	Purchased Power	10106	6581
618	Chemicals		
620	Repairs and Maintenance	345	2226
621	Office Supplies and Expense	5998	8988
630	Outside Services	3000	3163
635	Water Testing	3432	302
641	Rents	1136	3782
650	Transportation Expenses	8628	9583
657	Insurance - General Liability	2151	2825
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expense	45	
403	Depreciation Expense	16828	17174
408	Taxes Other Than Income	5526	4564
408.11	Property Taxes	1625	3225
409	Income Tax		
	TOTAL OPERATING EXPENSES	\$ 107718	\$ 114294
	OPERATING INCOME/(LOSS)	\$ (12582)	\$ (22457)
	OTHER INCOME/(EXPENSE)		
419	Interest and Dividend Income	\$	\$
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense	(374)	(157)
	TOTAL OTHER INCOME/(EXPENSE)	\$ (374)	\$ (157)
	NET INCOME/(LOSS)	\$ (12956)	\$ (22614)

COMPANY NAME Waters Inc.

SUPPLEMENTAL FINANCIAL DATA
Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$ 6132

Meter Deposits Refunded During the Test Year \$ 1592

COMPANY NAME Water Inc

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-603156	10	58	538	8	2	1964
55-506606	5	31	440	6	2	1983

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)
N/A		

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
2	6	1	

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
100,000	1	10,000	1
25,000	1	3,000	1

COMPANY NAME Watco Inc.

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	AC + PVC	33872
5		
6	PVC	8866
8		
10		
12		

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	319
3/4	
1	
1 1/2	
2	
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT:

N/A

STRUCTURES:

12' x 30' Building
20' x 20' Building

OTHER:

N/A

COMPANY NAME: WATCO / BOURDON RANCH SYSTEM

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	29	127,880	174,900
FEBRUARY	29	160,390	118,200
MARCH	29	110,340	110,600
APRIL	29	102,660	151,800
MAY	29	145,890	129,500
JUNE	29	120,780	254,800
JULY	29	241,430	347,300
AUGUST	29	311,230	150,000
SEPTEMBER	29	135,860	176,200
OCTOBER	29	163,550	204,100
NOVEMBER	29	164,200	129,400
DECEMBER	29	193,180	131,300
	TOTAL	1,977,390	2,078,100

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() YES (X) NO

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() YES (X) NO

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system? -.0030 mg/l

Note: If you are filing more than one system, please provide separate data sheets for each system.

COMPANY NAME: WATCO / SILVER LAKE ESTATES SYSTEM

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2005

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD (Thousands)	GALLONS PUMPED (Thousands)
JANUARY	253	956,400	1,240,500
FEBRUARY	250	1,033,400	1,048,100
MARCH	253	868,460	1,018,200
APRIL	253	794,490	1,262,000
MAY	251	1,052,460	1,188,600
JUNE	255	995,540	1,899,700
JULY	263	1,671,280	2,405,300
AUGUST	257	2,195,630	1,454,600
SEPTEMBER	256	1,210,090	1,697,300
OCTOBER	256	1,427,500	1,711,500
NOVEMBER	258	1,358,430	1,241,200
DECEMBER	258	1,437,700	1,460,100
	TOTAL	15,001,380	17,627,100

Is the Water Utility located in an ADWR Active Management Area (AMA)?

() YES (X) NO

Does the Company have an ADWR Gallons Per Capita Per Day (GPCPD) requirement?

() YES (X) NO

If yes, provide the GPCPD amount: _____

What is the level of arsenic for each well on your system? -.0030 mg/l

Note: If you are filing more than one system, please provide separate data sheets for each system.

COMPANY NAME Waters Inc. YEAR ENDING 12/31/2005

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2005 was: \$ 3225

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

2004 TAX NOTICE

COUNTY OF NAVAJO

ARIZONA

ADDRESS: P O BOX 668
HOLBROOK AZ 86025

LEGAL DESCRIPTION: SECTION

TWN RNG

ACRES

USE 5500

6.47

TOTAL VALUE OF OPERATING
204-57-016 44,000

TAX ROLL NUMBER 77814
PARCEL IDENTIFICATION 926-81-005 1
TAX AREA CODE 1005

IMPORTANT - SEE REVERSE SIDE
FOR COMPLETE EXPLANATION OF
YOUR 2004 TAX NOTICE AND
PAYMENT INSTRUCTIONS.

55322

WC-PAID

Check # 2765

Date: 11-1-04

2923

PAID

Check # 5-9-05

926-81-005 1 77814

SILVER WELL SERVICE CORP
MARK GRAPP/GEN MGR
P O BOX 830
TAYLOR AZ 85939

09-4108

PAY TOTAL OR HALF TAX

TOTAL TAX DUE	1,106.44
HALF TAX	553.22

DELINQUENT DATES

1st HALF NOV. 1, 2004
2nd HALF MAY 1, 2005

THIS IS THE ONLY NOTICE YOU WILL RECEIVE
NO RECEIPT WILL BE SENT UNLESS REQUESTED

PRIMARY PROPERTY TAX CALCULATION (1)			
ITEM	LIMITED VALUE	ASSESSED VALUE	TAX RATE
LAND, BLDGS, ETC.	44,000	25,000	0.71444
PERSONAL PROPERTY	0	0	0.71444
TOTALS	44,000	25,000	0.71444
SECONDARY PROPERTY TAX CALCULATION (2)			
ITEM	FULL CASH VALUE	ASSESSED VALUE	TAX RATE
LAND	44,000	25,000	0.29140
BLDGS, ETC.	0	0	0.00000
PERSONAL PROPERTY	0	0	0.27099
TOTALS	44,000	25,000	0.29140

2003-2004 TAX COMPARISON (3)			
TAX CODE	TAX JURISDICTION	2004 PRIMARY	2004 SECONDARY
02000	NAVAJO COUNTY	69.49	0.00
02001	SCHOOL EQUALIZATION	50.16	0.00
07010	SHOW LOW SD #10	528.02	74.95
08150	NORTH LAND PIONEER COLLEGE	138.23	27.79
11206	WHITE MOUNTAIN LAKES FCD	0.00	168.30
11900	FIRE DISTRICT ASSISTANCE FUND	0.00	1.00
14900	NAVAJO COUNTY LIBRARY DISTRICT	0.00	2.20
15728	NAVAJO COUNTY FCD	0.00	22.45
29999	PUBLIC HEALTH SERVICE DISTRICT	0.00	83.55
30000	NORTHERN ARIZONA VIT	0.00	55.00
TOTALS		785.90	320.54
TOTALS		1106.44	327.72
TOTALS		1106.44	327.72

TEMP USE ALONG DOTTED LINES

TEMP USE ALONG DOTTED LINES

MANUEL "MANNY" HERNANDEZ
TREASURER
928-524-4188

SANDRA HEWARD
CHIEF DEPUTY
928-524-4169

OFFICE OF
TREASURER OF NAVAJO COUNTY
AND EX-OFFICIO TAX COLLECTOR

NAVAJO COUNTY GOVERNMENTAL CENTER
100 E. CARTER DRIVE, P.O. BOX 668
HOLBROOK, ARIZONA 86025
(928) 524-4172
FAX : (928) 524-4211
E-MAIL : ncto@co.navajo.az.us



RE: Parcel # : 926-81-008
Check # : 2922
Date : 5-17-05
Post Mark Date: 5-

We received your payment and have applied it as a partial payment for the 2004 tax year. The remaining balance with interest is \$ 13.78. This figure is only good through May. Interest of 1.333% will accrue each month on the unpaid balance.

Thank you for your attention in this matter. If you have any questions, please feel free to phone us at (928) 524-4172.

Sincerely,


Deputy
Navajo County Treasurer's Office

PAID ^{WC} Check #: 2940
Date: 5-25-05

MANUEL "MANNY" HERNANDEZ
TREASURER
928-524-4168

SANDRA HEWARD
CHIEF DEPUTY
928-524-4169

OFFICE OF
TREASURER OF NAVAJO COUNTY
AND EX-OFFICIO TAX COLLECTOR

NAVAJO COUNTY GOVERNMENTAL CENTER
100 E. CARTER DRIVE, P.O. BOX 688
HOLBROOK, ARIZONA 86025
(928) 524-4172
FAX: (928) 524-4211
E-MAIL: ncto@co.navajo.az.us



RE: Parcel # : 926-81-005
Check # : 2923
Date : 5-17-05
Post Mark Date: 5-9-05

We received your payment and have applied it as a partial payment for the 2004 tax year. The remaining balance with interest is \$ 7.38. This figure is only good through May. Interest of 1.333% will accrue each month on the unpaid balance.

Thank you for your attention in this matter. If you have any questions, please feel free to phone us at (928) 524-4172.

Sincerely,


Deputy
Navajo County Treasurer's Office

PAID

Check #:
Date:

WC
2941
5-25-05

ARIZONA

2005 PROPERTY TAX NOTICE							2005 TAX SUMMARY	
BOOK	PARCEL # MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE		
926	81	005 1	1005	6.4963	4.4706		PRIMARY PROPERTY TAX	714.60
							LESS STATE AID TO EDUCATION	0.00
							NET PRIMARY PROPERTY TAX	714.60
							SECONDARY PROPERTY TAX	491.76
							SPECIAL DISTRICT TAX	0.00
							TOTAL TAX DUE FOR 2005	1,206.36
							2005	DIFFERENCE
							2004	

078671

TOTAL VALUE OF OPERATING PROPERTY
204-57-016 44,000

This is the only notice you will receive.

Manny Hernandez
Namjo County Treasurer
PO Box 688
Holtbrook, AZ 86025-0688

**THIS IS A
CALENDAR YEAR
BILL**

0206786 01 AV 0.278 **AUTO HB 0 0784 85802-127070

A standard linear barcode consisting of vertical black bars of varying widths on a white background.

SILVER WELL SERVICE CORP DBA WATCO
MARK GRAPP/GEN MGR
P O BOX 1270
SHOW LOW AZ 85902-1270

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

BR

PAID

Check #:
Date:

3059
1-1-65 W
1-35

PAYMENT INSTRUCTIONS

PAYMENT INSTRUCTIONS
To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

2005 PROPERTY TAX NOTICE

ARIZONA

BOOK	PARCEL # MAP	PARCEL	AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	IRRIGATION DISTRICT \$ PER ACRE	2005 TAX SUMMARY	
926	81	008	0	1008	6.4963	1.8192	PRIMARY PROPERTY TAX	1,640.32
							LESS STATE AID TO EDUCATION	0.00
							NET PRIMARY PROPERTY TAX	1,640.32
							SECONDARY PROPERTY TAX	386.94
							SPECIAL DISTRICT TAX	0.00
							TOTAL TAX DUE FOR 2005	2,027.26
		VALUE IN DOLLARS	ASSESSMENT RATIO	ASSESSED VALUE IN DOLLARS	EXEMPTIONS	NET ASSESSED VALUE		
LIMITED		101,000	25.0	25,250	0	25,250		
FULL CASH		101,000	25.0	25,250	0	25,250		
PERSONAL PROPERTY		96,537	25.0	24,134	0	24,134		
LAND		2,850	25.0	713	0	713		
BLDGs, ETC		1,613	25.0	403	0	403		

078672

TOTAL VALUE OF OPERATING PROPERTY
204-27-028 2,850

JURISDICTION	2005 TAXES	2004 TAXES	DIFFERENCE
NAVAJO COUNTY	160.02	156.33	3.69
SCHOOL EQUAL	110.04	112.87	-2.83
SHOW LOW SD #10	1,275.04	1,356.76	-81.72
NORTH-PIO COLLG	383.80	373.54	10.26
FIRE DIST AST FD	25.24	24.75	0.49
NAV CO LIBRARY D	7.57	4.95	2.62
NAVAJO COUNTY FD	3.35	6.53	-3.18
PUBLIC HLTH SERV	49.57	18.79	30.78
NORTHERN AZ VIT	12.63	12.38	0.25

This is the only notice you will receive.

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

PAID \$ 1013.63
Check #: 3058
Date: 11-2-05
11-3-3 JED SLE

THIS IS A
CALENDAR YEAR
BILL

TOTALS 2,027.26 2,066.90 -39.64

0206787 01 AV 0.278 **AUTO HB 0-0784 85902-127070



SILVER WELL SERVICE CORP DBA WATCO
MARK GRAPP/GEN MGR
P O BOX 1270
SHOW LOW AZ 85902-1270

THERE WILL BE A CHARGE FOR EACH RETURNED CHECK
AND YOUR TAXES WILL REVERT TO AN UNPAID STATUS.

PLEASE INCLUDE YOUR
PARCEL NUMBER
ON YOUR CHECK.

PAYMENT INSTRUCTIONS

To pay the 1st half installment, send the 1st half coupon with your payment postmarked no later than Nov. 1, 2005. To pay the 2nd half installment, send the 2nd half coupon with your payment postmarked no later than May 1, 2006. To pay taxes for the full year, send the 1st half coupon with your payment postmarked no later than Dec. 31, 2005. Delinquent interest will be waived.

Make your check payable to and mail to:

Manny Hernandez
Navajo County Treasurer
PO Box 668
Holbrook, AZ 86025-0668

**VERIFICATION
AND
SWORN STATEMENT
Taxes**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME)	Navajo
NAME (OWNER OR OFFICIAL) TITLE	Mark Grogg President / General Mgr
COMPANY NAME	Water Trc

DO SAY THAT THIS ANNUAL UTILITY PROPERTY TAX AND SALES TAX REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2006

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

I HEREBY ATTEST THAT ALL PROPERTY TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.

I HEREBY ATTEST THAT ALL SALES TAXES FOR SAID COMPANY ARE CURRENT AND PAID IN FULL.



SIGNATURE OF OWNER OR OFFICIAL

(928) 537-8739

TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

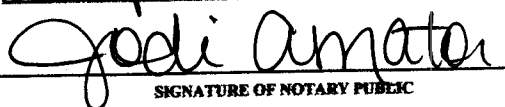
A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

DAY OF

COUNTY NAME	Navajo
MONTH	April 2006


SIGNATURE OF NOTARY PUBLIC



COMPANY NAME Waters Inc.

YEAR ENDING 12/31/2005

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported 0
Estimated or Actual Federal Tax Liability _____

State Taxable Income Reported _____
Estimated or Actual State Tax Liability _____

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances _____
Amount of Gross-Up Tax Collected _____
Total Grossed-Up Contributions/Advances _____

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

4-13-06
DATE

Mark Grapp
PRINTED NAME

President / General Mgr
TITLE

**VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona
I, THE UNDERSIGNED
OF THE

COUNTY OF (COUNTY NAME) <u>Navajo</u>	
NAME (OWNER OR OFFICIAL) TITLE <u>Mark Gragg</u>	<u>President / General Mgr</u>
COMPANY NAME <u>Waters Inc</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2005 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ 91837

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 4564
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST
INCLUDE SALES TAXES BILLED OR
COLLECTED. IF FOR ANY OTHER REASON,
THE REVENUE REPORTED ABOVE DOES NOT
AGREE WITH TOTAL OPERATING REVENUES
ELSEWHERE REPORTED, ATTACH THOSE
STATEMENTS THAT RECONCILE THE
DIFFERENCE. (EXPLAIN IN DETAIL)**

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

13th

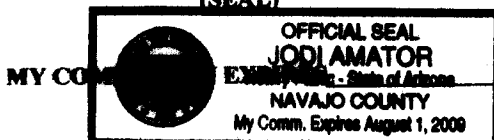
DAY OF

[Signature]
SIGNATURE OF OWNER OR OFFICIAL
(928) 537-8739
TELEPHONE NUMBER

COUNTY NAME	<u>Navajo</u>
MONTH	<u>April</u> <u>2006</u>

[Signature]
SIGNATURE OF NOTARY PUBLIC

(SEAL)



**VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY**

RECEIVED

APR 17 2006

AZ CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME) <u>Navajo</u>	
NAME (OWNER OR OFFICIAL) <u>Mark Grapp</u>	TITLE <u>President / General Mgr</u>
COMPANY NAME <u>Waterco Inc.</u>	

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2005

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2005 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 91837

**(THE AMOUNT IN BOX AT LEFT
INCLUDES \$ 4564
IN SALES TAXES BILLED, OR COLLECTED)**

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

(928) 537-8739
TELEPHONE NUMBER

SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

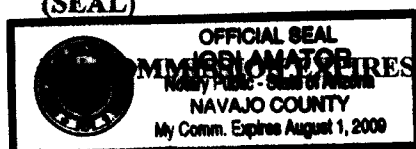
THIS

13th

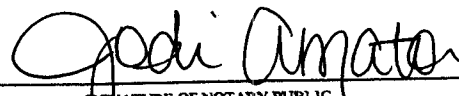
DAY OF

NOTARY PUBLIC NAME <u>Jodi Amator</u>	
COUNTY NAME <u>Navajo</u>	
MONTH <u>April</u>	20 <u>06</u>

(SEAL)



X


SIGNATURE OF NOTARY PUBLIC